

Letter from COSLA

12th April 2023

Education, Children and Young People Committee
The Scottish Parliament
Edinburgh
EH99 1SP

Dear Convener,

Disabled Children and Young People (Transition to Adulthood) (Scotland) Bill

Thank you for your letter dated 20th of March 2023 regarding the disparity between the costs outlined in the Bill's Financial Memorandum and the estimates provided by COSLA, relating to the Bill's implementation and the potential financial impact on Local Authorities across Scotland. Your letter also asked about the methodology used by COSLA officers to arrive at these costings, including any assumptions on which they were based.

We welcome to opportunity to continue to contribute to the consideration of the Disabled Children and Young People (Transition to Adulthood) (Scotland) Bill. Throughout the development of the bill we have engaged constructively with Pam Duncan Glancy MSP and the Education Children and Young People Committee.

We previously made a submission to the Committees call for views in October 2022 which we hope provides the clarity you are seeking. In our submission we noted that:

“Pam Duncan Glancy MSP met the then COSLA Children and Young People Spokesperson, Cllr Stephen McCabe, in October 2021 and subsequently met the then COSLA President, Cllr Alison Evison, in January 2022. One of the main issues raised was that the Financial Memorandum (FM) published alongside the original Bill did not reflect the true cost of the Bill. We noted that the original Scottish Commission for Learning Disability (SCLD) consultation submission provided detail on the costs and articulated the reasons why the costs for local authorities would be much greater than those presented within the original FM.

At the meeting in January 2022 COSLA officers agreed to work with Social Work Scotland and Directors of Finance to estimate the true costs of the Bill. This work took place and estimated costings were shared with Pam Duncan Glancy MSP and her team in February 2022. Though they were based on estimates and at a point in time, the figures we shared came to over £9.5M per annum from year one of implementation of the Bill. The original FM had costed this at around £800k per annum; we did ask for feedback on these estimates but received no response. We note that subsequently the FM published with the Bill has been revised upwards and now estimates the annual cost to local authorities rising to £4.5M after 10 years from the implementation of the Bill.

Following the 2022 call for views from the Education, Children and Young People Committee, COSLA Leaders agreed that Officers should work with others to examine the new FM, compare it with the figures provided to the Bill Sponsor and provide a submission to the Education, Children and Young People Committee as part of the Call for Views running from 1 September to 27 October 2022.

The revised Financial Memorandum

There are a number of assumptions regarding demand and implementation that underpin the figures and calculations presented in the Financial Memorandum (FM), some of which we believe result in an underestimation of the likely costs.

Paragraph 5 says “the aim of the Bill is to significantly increase the life opportunities of disabled children and young people, and to support them in accessing their rights, in fulfilling their potential and in making the most of their lives.” However, when stating that uptake and running costs will be low, the FM says at paragraph 18: “...not every young disabled school leaver will want, or will require, ongoing support through a transitions plan, e.g. those who enter employment (approximately 40%) or Higher Education (11%). In addition there will be an attrition rate of those seeking support. For example over time other young disabled people may become discouraged from seeking further support if it makes no positive difference to their lives...”

Whilst It is reasonable to assume less than 100% take-up, the FM assumes only those not going on to education, training or employment will need support, when in reality local authorities will have a duty to provide a Plan for every Disabled Child and Young Person by their 16th birthday.

Whilst there will be a need for a phased implementation - as local authorities will not be able to create a Transitions Plan for everyone in the relevant age bracket on day one - how this is addressed in the FM could have an impact on whether sufficient funding is made available for authorities to fulfil their duty under the legislation to offer a Transition Plan to everyone who is eligible, including whether this funding is phased in or made available from implementation.

The particular requirement to develop a plan from a child's 14th birthday and have it in place 3 months before their 16th birthday suggests this cohort may be prioritised when the Bill is enacted. However, the FM appears to assume that only this age group will need a Plan - and hence that demand will rise over time as more people leave school - but many others will also have the same right.

In seeking to estimate costs we firstly need to quantify the number of disabled children and young people who will be entitled to a statutory Transitions Plan under the Bill, and subsequently the number of plans which will need to be developed and managed by local authority staff in partnership with the young person and other services:

- The FM says there are 60,000 disabled children and young people
- The 2020 pupil census says there are 226,838 pupils with additional support needs in mainstream and special schools, of which 18,852 pupils are assessed or declared disabled.
- It's not clear whether the figures used in the FM include children and young people diagnosed with autism or on the spectrum - if not, these would increase the anticipated demand substantially

Using the estimate in the FM of 4,000 disabled children and young people completing their time in school per year, and all such children and young people from 14 to their 26th birthday having a Transition Plan there will be 48,000 children and young people entitled to a Transition Plan at any one time.

The FM suggests 71% of young people will not need their plan actively managed when they are in work or in further and higher education. However, all disabled young people will have the right to support, including being able to request the reactivation of their plans at any time. It is also likely that a number of these young people in employment or further and higher education will want and benefit from active input and management of their plans in partnership with the local authority officer responsible for their plan. There may also be increased demand if statutory entitlement to ongoing support until their 26th birthday is introduced, however the FM makes no reference to such.

There is an assumption that of the 4,000 disabled school leavers per year, only about half will need a plan - or need local authority support with their plan - going forward, because those in work or Higher or Further Education will not. The local authority would have a statutory duty to maintain and manage a person's plan until age 26 regardless of their circumstances, and the plans need to be in place before the young person's 16th birthday.

We have shared the latest FM with a group of local authority professional advisors including representatives of Social Work Scotland, Association of Directors of Education, Local Authority Directors of Finance and the Society of Local Authority Chief Executives, who reflected that the FM failed to fully account for "compounding": the fact plans would be in place and managed over many years. They also noted that the FM underestimated costs and noted the lack of information on the duties expected of staff responsible for plans hindered accurate costings. Any duties to be determined by Scottish Ministers through a Statutory Transitions Strategy (post legislation and post scrutiny of the costs), are not included in costs as they are undefined.

The FM suggests that 4 hours would be sufficient to prepare, organise and have meetings on these plans, which, based on the limited information available, professional advisors also believe is a significant underestimate.

The FM states 4,000 disabled children and young people leave school every year, that there will be no additional costs to develop transition plans and that guidance teachers will manage these as part of their existing role. We do not agree that there will be no costs incurred while pupils are in school, as this is an additional responsibility for staff. There are also questions as to whether guidance teachers would be best placed to develop these plans or if they should be done by social work staff who may have the ongoing relationship with the child when they are still in school.

Paragraph 56 says the costs each year for preparing, managing and reviewing each transitions plan, in the context of each year prior to the child's final year at school would be £205.68 per pupil.

$4,000 \times 3 \text{ years} \times £205.68 = £2.47\text{m per annum.}$

Paragraph 55 says the costs per local authority per year for preparing, managing and reviewing each transitions plan for each child in their final year at school would be £411.36 per pupil. $4000 \times £411.36 = £1.65\text{m}$

Paragraph 43 says: “Based on the census figures, it is estimated that there are approximately 4,000 disabled young people leaving school each year in Scotland. On that basis it is estimated that there would be an estimated 4,000 transitions plans per annum across Scotland’s 32 local authorities.” We do not agree with that figure, as the Bill says all school leavers up to the age of 26 will have plans. This means an estimated 32,000 transition plans will be in place for those in post school destinations. Whereas the FM suggests that only those leaving need a plan, but this is really only for Year 1 - later on the FM does account for some compounding (although it assumes significant 'attrition'). However, there is nothing to reflect the implementation for people over 16 when the Bill is enacted.

Paragraph 45 says that only those 29% of young disabled adults Not in Education, Employment or Training will require a plan and that therefore only 1,300 to 1,400 young adults “per year” would require a fully managed plan. Even if these figures were accepted, they should be multiplied across 8 years = 10,400-11,200 managed plans per year.

Paragraph 67 says the annual cost to manage and review one transition plan would be £465.36, based on 1,300 Not in Education, Employment or Training the figure would be $£465.36 \times 1,300 \times 8 \text{ years} = £4.84\text{M}$ per annum, for 1,400 the figure would be £5.22M per annum.

Paragraph 68 states that for those settled in new environments, costs would be lower and managing one plan in such circumstances would cost £232.68. Based on 2,700 young adults in Education, Employment, or Training annual costs would be $£232.68 \times 2,700 \times 8 = £5.03\text{M}$, based on 2,600 in Education, Employment or Training the figure is $£232.68 \times 2,600 \times 8 = £4.84\text{M}$.

Combining the figures of these two groups brings the total costs post school to £10m per annum. The figures in the FM will also require to be updated as current pay increases for 2022/23 are 5%, which pushes the costs to £10.5m per annum.

This quantum increases further if it is accepted that more than 4 hours will be required for each plan, to ensure meaningful engagement of the young person, their family, and those that support them, in line with GIRFEC. Given these should be centred around the young persons changing needs, this is unlikely to be a one-off four-hour commitment.

The FM does not take into account other requirements such as advocacy or translation which will be required to enable young people to meaningfully engage in the development of their plans. The costs also do not consider the need for guidance, training and support in the initial stages of implementation of this new requirement. There is also a requirement to factor in wage inflation, which would mean annual costs, assuming there are future wage increases, would rise in future years. Further, the FM does not take account of inflation, the figures for year 10 are based on year one costs.

In conclusion, the annual local authority costs presented in the FM are inaccurate and will actually be far higher than those quoted on page 15 “Summary of Costs; £894K, rising to £4.47M in Year 10”. If these are to be meaningful and useful plans, significant additional investment will be required.

It should be noted that these are initial figures calculated by officers based on information available and are provided as a guide only.”

If you have any further questions, we would be happy to provide further information.

Yours sincerely,

John Urquhart
Policy Officer
Children and Young People